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UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

United States of America,

Plaintiff,

v.

Fengjuan (Lucy) Lu,

Defendant.

INDICTMENT

VIO: 31 U.S.C. § 5324(a)(3)
(Structuring Financial
Transactions through a Domestic
Financial Institution)
Counts 1-11

31 U.S.C. § 5317(c)
Forfeiture Allegation

THE GRAND JURY CHARGES:

Introduction

1. FENGJUAN (Lucy) LU is a citizen of the People’s Republic of China and a legal permanent resident of the United States with a residence in Scottsdale, Arizona. From on or about June 2001 through on or about September 30, 2003, LU operated massage parlors in and around the Phoenix metropolitan area.

2. LU maintained several bank accounts with Bank of America during this time, and regularly made cash deposits from her massage parlors into her accounts and/or accounts in the name of her mother, Geng Qin Wei.

3. On November 28, 2001, LU attempted to deposit cash in excess of \$10,000.00 at Bank of America. Bank of America personnel advised LU that a cash deposit in excess of \$10,000.00 required the bank to generate a currency transaction report.

1 4. A currency transaction report is a report identifying the person conducting the
2 transaction, the person on whose behalf the transaction is conducted, the deposit amount and the
3 financial institution where the transaction took place. Currency transaction reports are filed with
4 the Internal Revenue Service and placed in a database searchable by federal, state and local law
5 enforcement officials as an investigative tool.

6 5. Bank of America personnel gave LU a similar advisement about currency transaction
7 reports on August 7, 2002 as she attempted to deposit cash in excess of \$10,000.00. Following
8 the advisement, LU changed the deposit to \$9,500.00.

9 6. Thereafter LU retained some of her earned cash in a safe at her house. On May 21,
10 2003, LU packaged \$194,900.00 in U.S. currency, including cash stored at the safe in her house,
11 and concealed it her luggage, which she then checked at Sky Harbor International Airport. The
12 currency was uncovered by an officer with the Transportation Security Administration before
13 the Phoenix to Los Angeles leg of LU's planned flight to China.

14 **COUNTS 1-11**

15 **(Structuring Financial Transactions)**

16 7. The factual allegations in paragraphs 1 to 6 of the Indictment are incorporated herein
17 by reference and re-alleged as though fully set forth herein.

18 8. Following the discovery of the currency concealed in her luggage, LU began a new
19 series of deposits from her business earnings. On or about the dates set forth below, in the
20 District of Arizona, LU knowingly, and for the purpose of evading the reporting requirements
21 of section 5313(a) of Title 31, United States Code, the regulations promulgated thereunder and
22 the reporting and recordkeeping requirements imposed thereunder, structured the following cash
23 transactions through account number xxxxxxxx6101, in the name of Geng Qin Wei, with Bank
24 of America, a domestic financial institution.

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COUNT 1	Deposits of \$7,595.00 on July 21, 2003 and \$4,790.00 on July 23, 2003.
COUNT 2	Deposits of \$7,000.00 on July 28, 2003, \$7,405.00 on July 31, 2003 and 27 \$8,660.00 on August 1, 2003.

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COUNT 3	Deposits of \$3,370.00, \$4,340.00, and \$7,500.00, all on August 4, 2003, and \$2,100.00 on August 5, 2003.
COUNT 4	Deposits of \$9,900.00 and \$8,475.00, both on August 11, 2003, and \$9,800.00 on August 12, 2003.
COUNT 5	Deposits of \$9,880.00 on August 18, 2003 and \$9,900.00 on August 19, 2003.
COUNT 6	Deposits of \$9,700.00, \$9,900.00 and \$9,260.00, all on September 15, 2003.
COUNT 7	Deposits of \$9,800.00 on September 16, 2003 and \$9,900.00 on September 17, 2003.
COUNT 8	Deposits of \$9,900.00 and \$2,925.00, both on September 22, 2003.
COUNT 9	Deposits of \$9,500.00 and \$4,380.00, both on September 25, 2003.
COUNT 10	Deposits of \$9,800.00, \$9,700.00 and \$9,030.00, all on September 26, 2003.
COUNT 11	Deposits of \$9,900.00 on September 29, 2003 and \$2,620.00 on September 30, 2003.

All in violation of Title 31, United States Code, Section 5324(a)(3) and (d)(1) and 31 C.F.R. § 103.11.

FORFEITURE ALLEGATIONS

Upon conviction of one or more of the offenses alleged in Counts 1 through 11 of this Indictment, LU shall forfeit to the United States pursuant to Title 31, United States Code, Section 5317(c), all property, real or personal, involved in the respective offense and any property traceable thereto.

The above-referenced property subject to forfeiture concerning the previously-mentioned defendant includes, but is not limited to, the following:

\$77,591.60 in U.S. currency seized from escrow proceeds on March 30, 2006 (escrow file number 473-4650072 (First American Title)) and traceable to Bank of America account number xxxxxxxx6101.

1 If any of the property described above as being forfeitable

- 2 a. cannot be located upon the exercise of due diligence;
3 b. has been transferred to, or sold to, or deposited with a third party;
4 c. has been placed beyond the jurisdiction of this Court;
5 d. has been substantially diminished in value; or
6 e. has been commingled with other property which cannot be divided without
7 difficulty;

8 as a result of any act or omission of the defendant, it is the intention of the United States,
9 pursuant to Title 31 United States Code Section 5317(c)(1)(B) which incorporates Title 21,
10 United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up
11 to the value of the forfeitable property.

12 Pursuant to Title 18, United States Code 981(a)(1); Title 21, United States Code, Section
13 853; Title 28, United States Code, Section 2461; Title 31, United States Code, Section 5317(c);
14 Fed. R. Crim. P 32.2.

15 A TRUE BILL

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17 FOREPERSON OF THE GRAND JURY
Date: July 18, 2006

18 PAUL K. CHARLTON
19 United States Attorney
District of Arizona

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21 GARY M. RESTAINO
22 Assistant U.S. Attorney
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